

## **Audit Committee 27 February 2008**

### **Registration Department PKF Audit**

#### **Executive summary and recommendations**

##### **Introduction**

As part of its Audit schedule for 2007/2008, PKF undertook a review of the controls in operation over the registration process. That report is attached.

##### **Decision**

The Committee is asked to discuss the report.

##### **Background information**

None

##### **Resource implications**

None

##### **Financial implications**

None

##### **Appendices**

PKF Audit report

##### **Date of paper**

13 February 2008

# Registration Review

January 2008

Confidential

**Assurance Level: Satisfactory**

**Staff Interviewed:** Head of Registration, Richard Houghton

**Audit Team:** Director, Jon Dee



Accountants &  
business advisers

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### Project timescales

Date project commenced	17/12/07
Date field work completed	22/01/08
Date draft report issued	29/01/08
Date management comments received	04/02/08
Date final report issued	04/02/08

# 1 Introduction

1.1 In accordance with the 2007/2008 internal audit programme that was agreed with management and the Audit Committee in March 2007, we have undertaken a review of the controls in operation at the Health Professions Council (“HPC”) over its registration process. The audit supports the annual statement on internal control required by HM Treasury and was carried out in accordance with Government Internal Audit Standards.

## Scope of our work

- 1.2 As specified in our audit programme, the aim of this project was to provide assurance to the HPC that the controls over the registration process were adequate and operating as expected. Specifically we reviewed the risk management arrangements for the risks identified by the HPC in relation to this area, including performance management arrangements and operational controls relating to registrations.
- 1.3 The work was carried out primarily by holding discussions with relevant employees and management and undertaking compliance testing on a sample basis, where appropriate. The audit fieldwork was completed in January 2008.
- 1.4 This report has been prepared as part of the internal audit of the Health Professions Council under the terms of our engagement letter for internal audit services. It has been prepared for the Health Professions Council and we neither accept nor assume any responsibility or duty of care to any third party in relation to it.
- 1.5 The conclusions and recommendations are based on the results of audit work carried out and are reported in good faith. However, our methodology is dependent upon explanations by managers and sample testing and management should satisfy itself of the validity of any recommendations before acting upon them.

## 2 Executive Summary

- 2.1 This report summarises the work undertaken by PKF within the agreed scope of our review of the HPC's registration process. The work was performed as part of our agreed internal audit plan for 2007/08.

### Background

- 2.2 As part of its statutory role as a health regulator, the HPC is required to maintain a Register of health professionals that meet the standards required to use the protected title for their profession. The HPC currently regulates thirteen professions. Applications for registration fall into three categories: UK, International and EEA. Applicants are required to complete a detailed application form and to provide evidence of their professional competence and confirmation of their identity. When the two year registration period has expired registrants are required to complete a renewal form.
- 2.3 All applications are processed by the Registration Department ("the Department"). Registration Advisors are required to check that all the necessary information has been received and the required fee has been paid before authorising the registration.

### Our assessment

- 2.4 Based on the audit work carried out we concluded that the HPC's controls over its registration process were **satisfactory**.
- 2.5 The key objectives for the Department were included in its work plan for 2007/08. The capacity of the Department to deliver its objectives was assessed as part of the business planning process and was based upon various assumptions regarding expected levels of new registrations anticipated during 2007/08. We noted that the key performance indicators for the Department, including customer service targets were being closely monitored by management and reports for the Finance & Resources Committee were prepared on a timely basis.
- 2.6 Our sample testing indicated that recorded registrations were appropriately supported by the evidence required by the HPC's registration procedures and in our view, the detailed documentation required and the embedded checks within the LISA database should enable the HPC to mitigate the risk of fraudulent applications effectively.
- 2.7 The internal quality controls and checks that the Department have recently introduced will also strengthen quality assurance and deliver best practice in testing data input onto the Register. However, we raised a recommendation in relation to this matter as the findings of these controls and checks should be continually recorded and reviewed to monitor trends.

- 2.8 A key project planned for 2007/08 is to reorganise the Department and to locate all employees on one floor within Stannary Street. The timing of this is dependent upon the timely completion of the refurbishment of the 22-26 Stannary Street property.
- 2.9 Although delays with the Stannary Street refurbishment have meant that the Department has been required to reconsider its relocation plans, we understand that the short term disruption that may arise can be managed by employees hot-desking in other departments and by scheduling the use of desk space within the Department more effectively. We have not therefore raised a recommendation in relation to this matter.
- 2.10 Looking forward, we note that the HPC plans to introduce on-line authentication during 2008/09. This is a LISA system development that will allow registrants to update their personal details on-line. Although this is a positive development which is expected to enhance the service provided to registrants, management are aware that additional and robust IT security and data confidentiality controls will need to be introduced as part of the implementation process. In view of the potential risks, we would be delighted to provide support to the HPC in relation to this development, should this be required.
- 2.11 The detailed findings of our work are set out in the following sections of this report.
- 2.12 Finally, we wish to thank all employees for their availability, co-operation and assistance during the course of our review.

**PKF (UK) LLP**  
**January 2008**

## 3 Detailed Findings

### Background

3.1 As a health regulator the HPC is required to maintain a Register of health professionals who meet the necessary standards for training, professional skills, behaviour and health. Health professionals must register with the HPC in order to use the protected titles for their profession. The HPC currently regulates thirteen professions including:

- Arts therapists;
- Biomedical scientists;
- Chiropodists/ podiatrists;
- Clinical scientists;
- Dietitians;
- Occupational therapists;
- Operating department practitioners;
- Orthoptists;
- Paramedics;
- Physiotherapists;
- Prosthetists/ orthotists;
- Radiographers; and
- Speech and language therapists.

3.2 The initial registration process shows the public that health professionals meet the standards of proficiency and are entitled to use the protected title for their profession. The HPC charges a fee to all registrants to cover the administration and maintenance of the Register.

### Risks

3.3 The principal risks associated with registration have already been identified and are included in the HPC's overall risk register, which has been reviewed and approved by Council. These are as follows:

- Customer service failures;
- LISA Registration system failure;
- Inability to detect fraudulent applications;
- Backlogs of registration and Grand Parenting applications; and
- Failure to meet the Department merger project timetable.

- 3.4 We have previously reviewed the HPC's business continuity arrangements in event of LISA system failure and reported our findings in June 2007. To avoid duplication of audit effort, we have not undertaken a further review of these matters as part of this project.
- 3.5 The principal management controls through which the HPC is seeking to manage the risks covered by our review include:
- Operational controls over registrations and renewals;
  - Departmental business planning; and
  - Performance management and reporting.
- 3.6 Our findings in relation to these controls are as follows:

## Findings

### Registrations and renewals

- 3.7 Applications for registration fall into three categories: UK, International and EEA. Applicants are required to complete a detailed application form and provide evidence of their professional competence and confirmation of their identity.
- 3.8 To be included on the Register UK applicants need to have provided the HPC with the following documentation:
- Completed application form, including registration and contact details;
  - Payment form and payment;
  - Character reference completed by a person of professional standing;
  - Health reference completed by their doctor;
  - Certified copy of qualification certificate (unless the individual qualified in the last 12 months in which case their qualification can be verified directly with the relevant educational establishment);
  - Certified copy of passport, or identity card, or driving licence; and
  - Certified copy of birth/ adoption certificate.
- 3.9 Documents that require certification need to be signed by a person of professional standing in the community, for example, a doctor, solicitor or an accountant.
- 3.10 Where the applicant is returning to practice after more than two years, they need to have completed a period of updating their skills and knowledge. A separate form and evidence that they have obtained the necessary experience needs to be submitted in these cases.



- 3.11 Applicants for international/EEA registration are required to submit similar information with their application, together with the following additional items to enable the HPC to validate their eligibility:
- Payment form and payment of the required scrutiny fee (international applications are assessed by two registration assessors on behalf of the HPC to determine whether the applicant meets the required standards of proficiency);
  - Copy of an eligible language test certificate or declaration that English is their first language or proof of exemption by virtue of being an European Economic Area (“EEA”) citizen (e.g. a copy of an EEA passport);
  - Clinical references (optional);
  - Certificate of current professional status form the regulator in the country where they last practised (optional); and
  - Certified course information form.
- 3.12 When the two year registration period has expired registrants are required to complete a renewal form. The details requested are limited to confirmation of the name, address and payment instructions, since the HPC has previously confirmed the identity of the individual in question. However, the registrant is required to certify that they have:
- Continued to practise their profession since their last registration;
  - There have been no changes to their health or good character; and
  - They continue to meet the HPC’s standards for continuing professional development.

#### **Processing controls**

- 3.13 Upon receipt of the application forms, Registration Advisors review the information provided and begin to log the applicants’ details on the LISA database. The database system requires the Registration Advisor inputting the data to record all of the details relevant to the application and to confirm that the necessary information has been provided.
- 3.14 The information recorded is summarised on a control screen which serves as an embedded checklist. Unless the checklist is completed in full, the system will not permit the registration to be authorised.
- 3.15 International/EEA registrations can only be partially completed upon receipt of the application form, since the details of the applicant need to be sent to assessors for scrutiny. The database is used to log the details of the scrutiny process, such as the date when the information was sent to the assessors.

- 3.16 We selected a sample of registrations that had been processed throughout the financial year to date. These included UK, International applications and renewals. All of the sampled registrations were appropriately supported by the evidence required by the HPC's registration procedures. In our view, the detailed documentation required and the embedded checks within the LISA database should enable the HPC to mitigate the risk of fraudulent applications effectively.
- 3.17 However, based upon our review of the documentation for each of the items within our sample and discussions with management, we understand that HPC has recently started to conduct quality assurance sample checks to validate the accuracy of the data input by its Registration Advisors.
- 3.18 Management are aware of the importance of this issue and plan to develop this formal quality assurance checking over the coming year to evaluate the accuracy of data input. This information needs to be continually recorded for review and to evaluate any trends

**3.19 Recommendation**

**R1. Management should continue to conduct, review and develop the formal quality checks of a sample of registrations for each Registration Advisor to confirm the accuracy of the data that they have recorded on the Register.**

**Business planning**

- 3.20 The Department handles all applications and maintains the Register. Its employee complement comprises around 37 employees. The key objectives included in the departmental work plan for 2007/08 were to:
- Manage business as usual activities within agreed service levels;
  - Improve quality of service delivery;
  - Improve capacity planning;
  - Re-organise the registration team;
  - Continue employee development; and
  - Manage projects within agreed timescales.
- 3.21 The capacity of the Department to deliver these objectives was assessed as part of the business planning process and was based upon various assumptions regarding expected levels of new registrations anticipated during 2007/08.

- 3.22 Nine out of the thirteen professions that are currently regulated also needed to renew their registration. We noted that these factors were considered in planning the departmental workload for the year.
- 3.23 Nevertheless, the Department can be subject to sudden and unplanned demand spikes and management recognises this issue. The feasibility of introducing professional capacity planning software is being considered, which will enable management to forecast workload more accurately and reduce the level of uncertainty in the work scheduling process.

#### **Performance management and reporting**

- 3.24 Data is generated from the LISA database on a monthly basis for UK and international applications, registrations and renewals within each profession, together with details of their current processing status. This includes, for example, applicants that have been registered or applicants that have been processed and the HPC is waiting for payment of the fee before completing registration. The lead time from initial application to final registration is also measured.
- 3.25 Key performance indicators for the Department that are closely monitored by management are as follows:

<b>Process</b>	<b>Target</b>
UK applications and readmissions	10 days processing
International/EEA applications	Processed within 3 months of receipt of all documents
Renewals batch letters sent on-time	Renewal notice sent not less than 3 months before publicly published renewal dates. Final renewal notice sent not less than 1 month before publicly published renewal dates
Renewal cycle batch processing	Complete renewal (lapsing) process run within 5 days of publicly published dates
Written complaints	18 days response

Process	Target
Emails	5 days response
Telephone call answering	80% of calls answered within 30 seconds

- 3.26 The Head of Registration prepares a detailed report on departmental activity, which is presented to the quarterly meetings of the Finance & Resources Committee. The report includes a summary of the key aspects of departmental activity including:
- Telephone call volumes, for both UK and International activity, together with responses;
  - Application processing volumes and performance against customer service targets;
  - Registration renewals;
  - Performance against customer service targets;
  - Capacity of the Department to meet current registration volumes;
  - Any process enhancements that have been implemented; and
  - Progress with departmental projects.
- 3.27 We reviewed a sample of the performance reports produced throughout the year to date and confirmed that the information had been prepared and reported on a timely basis and that the Department was on course to deliver its key objectives. We have therefore concluded that the HPC's arrangements for mitigating the risks of failing to meet its customer service targets and processing backlogs were adequate and operating effectively.
- 3.28 Finally, a key project planned for 2007/08 is to reorganise the Department and to locate all staff on one floor within Stannary Street. The timing of this is dependent upon the timely completion of the refurbishment of the 22-26 Stannary Street property. We have previously set out our findings on the Stannary Street project in a separate report (October 2007). At the time of our review in January, we were advised that the works at Stannary Street were on course to be completed by the end of March 2008-several months later than originally planned.
- 3.29 Although this has resulted in the need for the Department to reconsider its relocation plans, we understand that the short term disruption that may arise can be managed by individuals within the Department hot-desking in other departments and by scheduling the use of desk space within the Department more effectively. We have not therefore raised a recommendation in relation to this matter.

## 4 Action plan

Ref.	Findings	Recommendations	Priority	Management Response Responsible Officer	Due Date
<b>R1</b>	<p><b>Processing controls</b></p> <p>Through our review of the documentation for each of the items within our sample and discussions with management, we understand that the HPC has recently introduced quality assurance checks to validate the accuracy of the data input by its Registration Advisors. In these circumstances, there is a risk that a Registration Advisor could complete the details and checks on the database without having thoroughly checked the information provided by the applicant</p>	<p>Management should continue to conduct, review and improve the quality checks process of a sample of registrations for each Registration Advisor to confirm the accuracy of the data that they have recorded on the Register. The findings of these checks should be recorded and reviewed to identify trends.</p>	<b>Medium</b>	<p>Agreed. This recommendation is already incorporated within the Registration Department's planned improvement programme and the management team will continue to review the findings from the quality checks process as well as from the other information that is being captured to identify trends and improvements.</p> <p><i>Head of Registration</i></p>	<b>June 2008</b>

## 5 Assurance Definitions

Assurance Level	Definition
<b>Sound</b>	Satisfactory design of internal control that addresses risk and meets best practice and is operating as intended.
<b>Satisfactory</b>	Satisfactory design of internal control that addresses the main risks but falls short of best practice and is operating as intended.
<b>Satisfactory in Most Respects</b>	Generally satisfactory design of internal control that addresses the main risks and is operating as intended but either has control weaknesses or is not operating fully in some significant respect.
<b>Satisfactory Except For.....</b>	Satisfactory design of internal control that addresses the main risks and is operating as intended in most respects but with a major failure in design or operation in the specified area.
<b>Inadequate</b>	Major flaws in design of internal control or significant non operation of controls that leaves significant exposure to risk.